

# House File 2185

HOUSE FILE \_\_\_\_\_  
BY REASONER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to approval of proposed urban renewal plans and  
2 amendments to urban renewal plans, and including effective and  
3 applicability date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 5603HH 82  
6 sc/rj/5

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1 1 Section 1. Section 403.5, subsection 2, Code 2007, is  
1 2 amended to read as follows:  
1 3 2. a. The municipality may itself prepare or cause to be  
1 4 prepared an urban renewal plan; or any person or agency,  
1 5 public or private, may submit such a plan to a municipality.  
1 6 Prior to its approval of an urban renewal plan, the local  
1 7 governing body shall submit such plan to the planning  
1 8 commission of the municipality, if any, for review and  
1 9 recommendations as to its conformity with the general plan for  
1 10 the development of the municipality as a whole. The planning  
1 11 commission shall submit its written recommendations with  
1 12 respect to the proposed urban renewal plan to the local  
1 13 governing body within thirty days after receipt of the plan  
1 14 for review. ~~Upon receipt of the recommendations of the~~  
~~1 15 planning commission or, if no recommendations are received~~  
~~1 16 within the thirty days, then, without such recommendations,~~  
~~1 17 the local governing body may proceed with the hearing on the~~  
~~1 18 proposed urban renewal plan prescribed by subsection 3.~~  
1 19 b. Prior to its approval of an urban renewal plan which  
1 20 provides for a division of revenue pursuant to section 403.19,  
1 21 the municipality shall mail the proposed plan by regular mail  
1 22 to the affected taxing entities. The municipality shall  
1 23 include with the proposed plan notification of a consultation  
1 24 to be held between the municipality and affected taxing  
1 25 entities prior to the public hearing on the urban renewal  
1 26 plan. Each affected taxing entity may appoint a  
1 27 representative to attend the consultation. The consultation  
1 28 may include a discussion of the estimated growth in valuation  
1 29 of taxable property included in the proposed urban renewal  
1 30 area, the fiscal impact of the division of revenue on the  
1 31 affected taxing entities, the estimated impact on the  
1 32 provision of services by each of the affected taxing entities  
1 33 in the proposed urban renewal area, and the duration of any  
1 34 bond issuance included in the plan. The designated  
1 35 representative of the affected taxing entity may make written  
2 1 recommendations for modification to the proposed ~~division of~~  
~~2 2 revenue urban renewal plan~~ no later than seven days following  
2 3 the date of the consultation. The representative of the  
2 4 municipality shall, no later than seven days prior to the  
2 5 public hearing on the urban renewal plan, submit a written  
2 6 response to the affected taxing entity addressing the  
2 7 recommendations for modification to the proposed ~~division of~~  
~~2 8 revenue urban renewal plan.~~  
2 9 c. The governing body of each affected taxing entity  
2 10 shall, upon conclusion of the consultation process and without  
2 11 regard to whether the entity participated in the consultation  
2 12 process, adopt a resolution approving or rejecting the  
2 13 proposed urban renewal plan. Upon receipt of the  
2 14 recommendations of the planning commission or, if no  
2 15 recommendations are received within the thirty days, then  
2 16 without such recommendations, and upon receipt of a resolution  
2 17 from the governing body of each affected taxing entity, the  
2 18 governing body of the city may proceed with the hearing on the  
2 19 proposed urban renewal plan pursuant to subsection 3.

2 20 However, without the receipt of resolutions approving the  
2 21 urban renewal plan from a majority of the affected taxing  
2 22 entities, the governing body of the municipality shall not  
2 23 proceed with the proposed urban renewal plan.

2 24 Sec. 2. Section 403.5, subsections 5, 6, and 7, Code 2007,  
2 25 are amended to read as follows:

2 26 5. An urban renewal plan may be ~~modified~~ amended at any  
2 27 time: ~~Provided, that, However, if modified the urban renewal~~  
2 28 plan is amended after the lease or sale by the municipality of  
2 29 real property in the urban renewal project area, such  
2 30 ~~modification amendment~~ may be conditioned upon such approval  
2 31 of the owner, lessee, or successor in interest as the  
2 32 municipality may deem advisable, and in any event such  
2 33 ~~modification amendment~~ shall be subject to such rights at law  
2 34 or in equity as a lessee or purchaser, or a lessee's or  
2 35 purchaser's successor or successors in interest, may be  
3 1 entitled to assert. ~~The A project may be added to an urban~~  
3 2 renewal plan only by an amendment to the plan. Territory may  
3 3 be added to, or severed from, an urban renewal area only by an  
3 4 amendment to the urban renewal plan. When amending an urban  
3 5 renewal plan, the municipality shall comply with the  
3 6 notification and consultation process provided in this  
3 7 section, including the requirement that a majority of the  
3 8 affected taxing entities approves the proposed amendment,  
3 9 prior to the approval of any amendment or modification to an  
3 10 adopted urban renewal plan if such amendment or modification  
3 11 provides for refunding bonds or refinancing resulting in an  
3 12 increase in debt service or provides for the issuance of bonds  
3 13 or other indebtedness, to be funded primarily in the manner  
3 14 provided in section 403.19, or if such amendment proposes to  
3 15 add a project to an urban renewal plan or proposes to add  
3 16 territory to an urban renewal area or proposes to sever  
3 17 territory from an urban renewal area.

3 18 6. Upon the approval by a municipality of an urban renewal  
3 19 plan or of any ~~modification thereof~~ amendment to an urban  
3 20 renewal plan, such plan or modification amendment shall be  
3 21 deemed to be in full force and effect for the respective urban  
3 22 renewal area, and the municipality may then cause such plan or  
3 23 modification amendment to be carried out in accordance with  
3 24 its terms.

3 25 7. Notwithstanding any other provisions of this chapter,  
3 26 where the local governing body certifies that an area is in  
3 27 need of redevelopment or rehabilitation as a result of a  
3 28 flood, fire, hurricane, earthquake, storm, or other  
3 29 catastrophe respecting which the governor of the state has  
3 30 certified the need for disaster assistance under Pub. L. No.  
3 31 81=875, Eighty=first Congress, 64 Stat. 1109, codified at 42  
3 32 U.S.C. } 1855==1855g or other federal law, the local governing  
3 33 body may approve an urban renewal plan and an urban renewal  
3 34 project with respect to such area without regard to the  
3 35 provisions of subsection 4 and without regard to provisions of  
4 1 this section requiring notification and consultation and  
4 2 approval by the affected taxing entities, a general plan for  
4 3 the municipality, and a public hearing on the urban renewal  
4 4 plan or project.

4 5 Sec. 3. Section 403.6, subsection 6, paragraph b, Code  
4 6 2007, is amended to read as follows:

4 7 b. Urban renewal plans adopted, or amended, pursuant to  
4 8 the requirements of section 403.5;

4 9 Sec. 4. Section 403.6, subsection 12, Code 2007, is  
4 10 amended to read as follows:

4 11 12. To approve and amend urban renewal plans, subject to  
4 12 the requirements of section 403.5.

4 13 Sec. 5. EFFECTIVE AND APPLICABILITY DATES.

4 14 1. The section of this Act amending section 403.5,  
4 15 subsection 2, being deemed of immediate importance, takes  
4 16 effect upon enactment and applies to urban renewal plans  
4 17 proposed on or after the effective date.

4 18 2. The section of this Act amending section 403.5,  
4 19 subsections 5, 6, and 7, being deemed of immediate importance,  
4 20 takes effect upon enactment and applies to amendments to urban  
4 21 renewal plans, if such amendments are proposed by a  
4 22 municipality on or after the effective date.

4 23 EXPLANATION

4 24 This bill provides that a proposed urban renewal plan, or  
4 25 an amendment to an existing plan, shall not proceed unless a  
4 26 majority of the affected taxing entities, by resolution,  
4 27 approves the proposed plan or amendment. The bill also  
4 28 provides that a project may be added to an urban renewal plan,  
4 29 or territory added to or severed from an urban renewal area,  
4 30 only by an amendment to the urban renewal plan.

4 31 The bill takes effect upon enactment and applies to urban  
4 32 renewal plans proposed on or after the effective date and to  
4 33 amendments to any urban renewal plan, if such amendments are  
4 34 proposed on or after the effective date.  
4 35 LSB 5603HH 82  
5 1 sc/rj/5